

4 May 2012

Company Announcements Platform
ASX Limited
Level 8, Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Sir/Madam,

PALA INVESTMENTS ACCEPTS INTO INSTITUTIONAL ACCEPTANCE FACILITY

We refer to the off-market takeover bid by Panoramic Resources Limited (ABN 47 095 792 288) ("**Panoramic**") for all the ordinary shares ("**Magma Shares**") in Magma Metals Limited (ABN 72 114 581 047) ("**Magma**") ("**Offer**"), the terms of which are set out in the Replacement Bidder's Statement dated 23 February 2012, as supplemented.

We have been advised by Computershare Investor Services Pty Ltd (ABN 48 078 279 277) ("**Computershare**") that, in relation to the Institutional Acceptance Facility ("**IAF**") operated by Computershare relating to the Offer, Computershare now holds acceptance instructions for **75,050,721** Magma Shares (representing **28.07%** of the issued Magma Shares). This is an increase of **20,310,150** Magma Shares (representing **7.60%** of the issued Magma Shares) based on the previous number of acceptance instructions that we announced on 2 May 2012.

We note that the increase includes an acceptance into the IAF by Magma's third largest shareholder (excluding Panoramic), Pala Investments ("**Pala**"), who holds 7.18% of Magma.

Acceptance instructions deposited with Computershare do not constitute acceptances of the Offer and neither Computershare nor Panoramic have a relevant interest in any of the Magma Shares the subject of the acceptance instructions. Accordingly, the Magma Shares in which Panoramic has a relevant interest do not include the Magma Shares the subject of acceptance instructions deposited with Computershare.

Panoramic also reports that since the most recent ASIC Form 604: *Notice of change of interests of substantial holder*, issued by it on 2 March 2012 in relation to Magma Shares in accordance with section 671B of the *Corporations Act 2001* (Cth), the aggregate of:

- the number of Magma Shares in respect of which acceptance instructions in the form of acceptance forms and/or directions to custodians to accept Panoramic's Offer have been received in the Acceptance Facility as at 7:30pm yesterday; and
- the number of Magma Shares in which Panoramic and its associates have a relevant interest,

has changed from 34.16% to **41.75%**.

The following table is a breakdown of the aggregate amount between these two categories.

	Number of Magma Shares	Percentage of Magma's existing issued shares *
Acceptance Facility	75,050,721	28.07%
Relevant Interest (as set out in Form 604 lodged 2 March 2012)	34,948,883	13.07%
Relevant Interest (since Form 604 lodged 2 March 2012)	1,643,393	0.61%
TOTALS	111,642,997	41.75%

* Percentages are rounded to the nearest second decimal point

We are pleased that Magma's third largest shareholder, Pala, has accepted into the IAF. This means that Magma's largest and third largest shareholders have now accepted the Panoramic Offer. We would encourage all of Magma's shareholders to follow the lead of Pala and **ACCEPT** Panoramic's Offer as soon as possible.

Yours faithfully,



Peter J Harold
Managing Director